

TQM-BASED ORGANIZATION DEVELOPMENT MODEL
(AN EMPIRICAL STUDY IN MILITARY ACADEMY)

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Abstract

Goal-oriented and sustainable organization arrangement and development have been the strengths of military academy in producing professional army's (TNI AD) junior officers with modern and strategic mindset in facing the threats of this global era full of uncertainties. This research aims at analyzing organization development through TQM in military academy (hereinafter Akmil). The population of research were all members of Akmil organization and in reference to the use of LISREL the research is conducted to the valid data of 188 members of Akmil organization. The data are collected through questionnaire, and the model confirmatory analysis uses a program software of AMOS version 22.0. The research results indicate that the fit correlation model between service quality, organizational culture, and educational leadership, through TQM on the organization development in Akmil are proven and accepted. It is suggested that the leaders of Akmil could determine the strategy they would use to develop their organization to optimally face the current, knowledge and technology development. Continuous improvement needs to be done, considering that TQM plays an important role in improving Akmil's quality and public accountability.

Keywords: Service Quality, Organizational Culture, Leadership, TQM, Organization Development

Introduction

The successful sustainable development lies in superior human resources (HR) quality. Human development can be said as the cutting edge of sustainable development strategy. Since the key to human development is education, it is necessary for us to be aware that education is a long-term investment in the effort of building human resources. To fulfill such necessity, there is a need to seriously arrange and manage educational institutions for the youth in Indonesia to have highly competitive HR quality at both local, regional and global levels. In reality, when it comes to our ability as a nation, it seems educational institutions in Indonesia have not been capable of producing HRs thoroughly ready in the face of global competition. It can be seen from the huge number of uneducated workforce. This is counter-productive given that the demand of occupational world in global era requires educated workforce, (Suyanto dan Hisyam, 2000:3).

Military academy as one of educational institutions plays an important and strategic role in continuous updates and it has always been grown and developed systematically by policy makers. To make its organization to be a place where education is administered optimally which will then enable

them to adapt to the current globalization, in the face of its increasingly fiercer demand, organization development is needed. These objectives of Military Academy are in line with Samuel Finer's opinion in Fattah (2005:256) which reads: "What makes military different from other institutions is that it is not just an autocratic institution demanding complete loyalty and commitment, rather it is also an organization designed to be a robust power working as efficiently as possible whenever the state needs them."

Under the Decision Letter of Minister of National Education of the Republic of Indonesia Number 245/D/O/2010 dated December 29, 2010 concerning Permit to Administer a Study Program in Military Academy, the Military Academy (hereinafter Akmil) should adjust its educational system to the provisions applicable to universities, including those related to organization issue which is expected to be compliant with the National Standards of Higher Education, such as the existence of Internal Quality Assurance Agency, Research and Community Service Agency and Study Program. The organizational culture formed within Akmil influences the organization change and development towards betterment from the previous organizational pattern that enables this change and development, allowing the organi-

zation to survive in following the education standardization demand determined by both BAN-PT and Kemenristekdikti.

These organization change and development cannot be separated from those factors which support such organization development to occur, such as service quality, organizational culture, educational leadership, and Total Quality Management (TQM). TQM has some effect on organization development and, on the other hand, TQM is influenced by organizational culture. The result shows that there is a statistically significant influence of organizational culture, including meaningful values, supports and promotion of values, discipline values and freestyle values on TQM (Al-Bourini, Ghaith and Azzam, 2013).

The organization development of Military Academy cannot be separated from the factors existing within the organization to stay committed despite any change in the effort of continuous improvement. Furthermore, Sallis (2012) suggests TQM is not a set of slogans, but a deliberate and systematic approach to achieving appropriate levels of quality in a consistent fashion that meet or exceed the needs and wants of customers. It can be thought of as a philosophy of continual improvement only achievable by and through people. As an approach, TQM represents a permanent shift in an institution's focus away from short-term

expediency to the long-term quality improvement.

With such organization change and development along with the demand from Kemenristekdikti which requires Akmil to follow the standards of BAN-PT in administering their education. This study aims at reviewing and analyzing TQM-based in Military Academy.

Research Methods

The design of this research is a qualitative one through a model approach of Second Order Confirmatory Factor Analysis, i.e. the model is predetermined based on theories. This Second Order CFA model is characterized by a latent factor which has several indicators and these indicators are immeasurable directly and require other indicators in their measurement. This is different from First Order Confirmatory Factor Analysis model, where one latent factor has several indicators and these indicators could be measured directly (Ghozali, 2013: 143). The measurement of this research model is designed using Confirmatory Factor Analysis approach through AMOS (Analysis of Moment Structures) (Ferdinand, 2002:6; Ghozali, 2013:25; Hair et.al, 2010:587). Such approach is used because the model is formed first.

Population and Sample

The population of this research are all academicians of Akmil who support the operation in its education administration. The sample size consists of 200 respondents of Akmil academicians and as many as 188 respondents are valid for analysis.

Exogenous Latent Variable

There are four exogenous latent variables, namely service quality (ξ_1), educational leadership (ξ_2), organizational culture (ξ_3), and Total Quality Management (ξ_4).

First, Service quality is the service provided by the Military Academy to its students. Service quality (ξ_1) is measured through observation variables, namely tangible (X11), reliability (X12), responsiveness (X13), assurance (X14), and empathy (X15).

Second, Organizational culture could be measured through indicators of organizational culture (ξ_2) which consist of such observation variables as organization loyalty (X21), code of conduct (X22), values (X23), ritual/tradition (X24), and cultural network (X25).

Third, Educational leadership (ξ_3) is measured through the observation variables such as integrated quality vision (X31), commitment (X32), quality message (X33), leading innovation (X34), and team building (X35).

Fourth, The TQM variable (ξ_4) is measured through the observation variables such as thorough quality (X41), customer satisfaction (X42), and continuous improvement (X43).

Endogenous Latent Variables

This organization development (η_1) is measured through its measurement variables, namely competition (Y1), social tendency (Y2), organizational effectiveness (Y3), and employee welfare (Y4).

Validity and Reliability Testing

The result of variance extracted testing of exogenous construct indicates that the variance extracted scores of exogenous construct for all exogenous variables are high, i.e. above the cut-off value 0.50. The result of variance extracted calculation of endogenous construct of TQM is 0.601 and organization development is 0.591.

The results of construct reliability testing of exogenous variables are service quality 0.773, organizational culture 0.747 and educational leadership 0.725. Have high score, i.e. above the cut-off value 0.70. The endogenous construct of TQM is 0.852 and organization development is 0.832. Based on these results of construct reliability calculation it can be concluded that the indicators of exogenous construct used in this research are reliable.

Stages in Structural Equation Modeling (SEM)

According to Hair et.al. (2010:602), Augusty Ferdinand (2002:33), and Iman Ghozali (2013:8), there are seven stages performed in structural equation modeling, namely; 1) theory-based model development, 2) path diagram development, 3) measurement model specification, 4) model identification, 5) parameter estimation, 6) fit model evaluation, and 7) model interpretation and modification.

Data Analysis Technique

The data in this study take the form of numbers gathered using questionnaire the validity and reliability of which are tested according to the requirements of SEM usage. The data are analyzed using Amos program version 22.0. Furthermore, the research variables which have been arranged in a structural relationship is tested for its validity using the data (fit model).

Results

The causality relationship model developed in this research tests 7 hypotheses. Afterwards, the structural full model which has passed the confirmatory analysis is processed using Amos version 22.0. The results of test-

ing of hypotheses 1 through 7 are presented in Figure 1 below.

Figure 1. presents the result of analysis using Amos version 22.0. This structural full model has Chi-Squared (χ^2) at 228.194; with its probability significance of 0.078; CMIN/DF 1,147; GFI 0.905; AGFI 0.879; TLI 0.982; CFI 0.984 and RMSEA 0.028. The model has a sound goodness of fit indices. The Chi-Squared (χ^2) is relatively smaller (228.194) compared to χ^2 cut-off value (232.91) in (0.05; 199). The significance probability value is greater (0.076), than cut-off value ($\alpha = 0.05$). The significance probability which is more than 0.05 has caused the Hypothesis nil (H_0) to be confirmed. Hence, it could be concluded that the sample variant and covariant matrix is the same as the population variant and covariant matrix.

In addition to fulfilling the cut-off value χ^2 and significance probability, the structural full model has also satisfied the other goodness of fit indices, such as; GFI (0.905), AGFI (0.879) close to the fit model requirement (cut-off value GFI and AGFI ≥ 0.90). The TLI and CFI indices could be achieved as per the acceptable cut-off value. Both TLI and CFI indices produced by the full model have values of 0.982 and 0.984 respectively. The full model

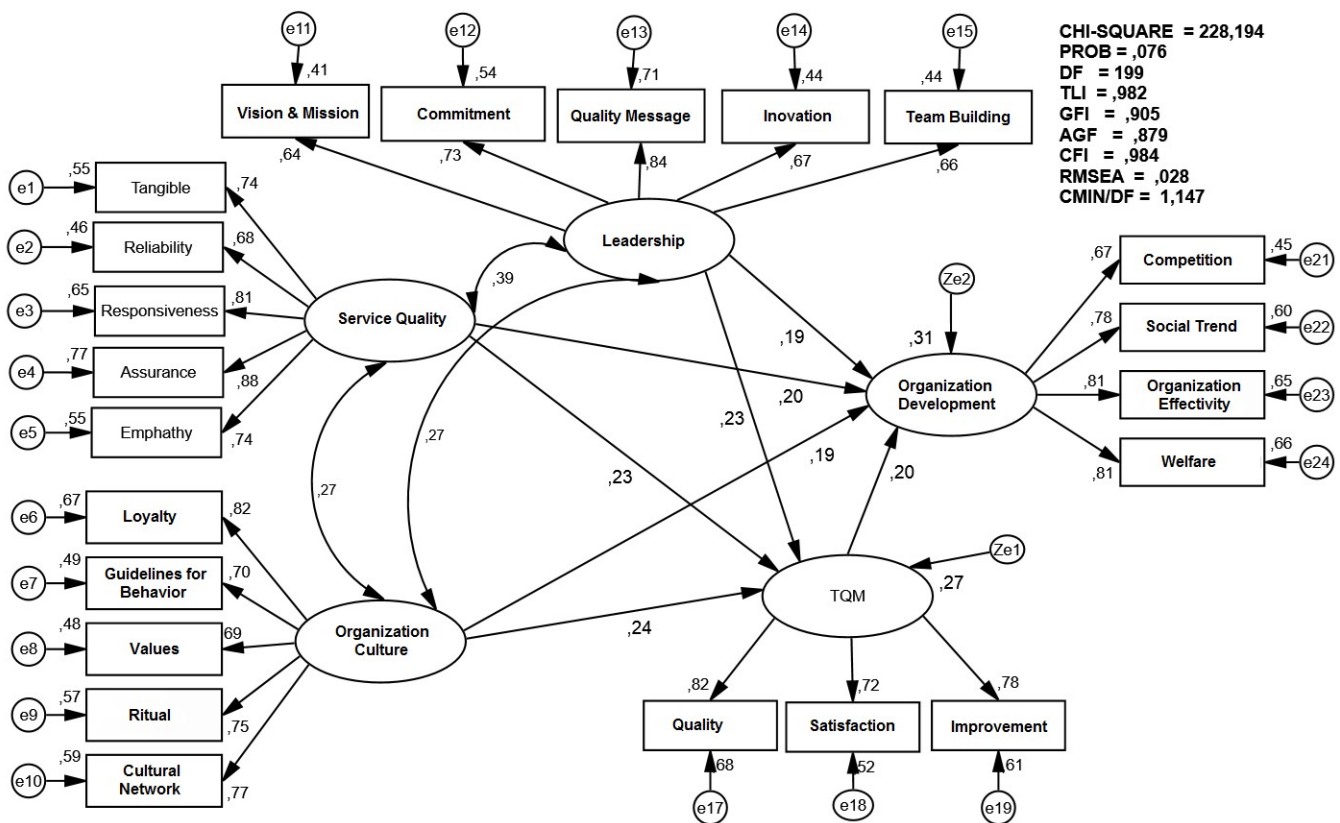


Figure 1. Structural Full Model

CMIN/DF index is 1.147 compliant with the cut-off value $\leq 2,00$ requirement and the full model RMSEA is 0.028, also meeting the cut-off value ≤ 0.08 requirement. Therefore, it could be concluded that the structural full model is declared fit.

Thus, the model can be said to be fully fit. Meanwhile, the results of SEM full model regression weight are presented in Table 1. as follows.

Table 1. SEM Full Model Regression Weight

Regression Weight	Unstd Estimate	Std Estimate	S.E.	C.R.	P
X14 ←- Service_Quality	1.251	.877	.106	11.849	***
X12 ←- Service_Quality	.850	.678	.094	9.017	***
X11 ←- Service_Quality	1.020	.742	.102	9.999	***

Regression Weight	Unstd Estimate	Std Estimate	S.E.	C.R.	P
Y1 ←- Organization_Development	1.000	.669			
Y2 ←- Organization_Development	1.301	.778	.148	8.795	***
Y3 ←- Organization_Development	1.343	.808	.149	9.036	***
Y4 ←- Organization_Development	1.278	.811	.135	9.462	***
X25 ←- Organizational_Culture	1.000	.766			
X24 ←- Organizational_Culture	1.200	.753	.118	10.162	***
X23 ←- Organizational_Culture	1.049	.695	.112	9.340	***
X22 ←- Organizational_Culture	1.028	.700	.110	9.364	***
X21 ←- Organizational_Culture	1.155	.821	.106	10.941	***
X41 ←- TQM	1.000	.824			
X42S ←- TQM	.243	.718	.026	9.404	***
X43 ←- TQM	1.118	.780	.114	9.772	***
X13 ←- Service_Quality	1.097	.809	.101	10.830	***
X15 ←- Service_Quality	1.000	.743			
X31 ←- Leadership	1.000	.643			
X33S ←- Leadership	.409	.843	.046	8.861	***
X32 ←- Leadership	1.287	.732	.157	8.206	***
X34 ←- Leadership	1.243	.667	.163	7.619	***
X35 ←- Leadership	1.185	.660	.160	7.422	***

Source: Processed Data, 2016

Based on the analysis results in Table 1. above, the data are described to form every construct. The biggest construct former of service quality at 0.877 is in the indicator of assurance. This means that the ability to provide timely service guarantee for students, the ability to give guarantee to be free from any cost during their education and the ability to provide education and the ability to provide dormitory guarantee are good and satisfy customers' expectation.

In the organizational culture, the biggest construct former is in the organization loyalty indicator. This means that all members in Akmil in terms of performing their jobs responsibly and loyally, they do so in a decisive, clear and disciplined manner which form their loyalty to the organization. When there is a violation, it should be accounted for in accordance with the applicable rules in Akmil and implemented well. The loyalty in performing the culture in Akmil has been something compulsory in the organization in Akmil.

For educational leadership, the biggest construct former is in the indicator of quality message with a loading factor at 0.840. This means the quality message has been something important in the educational leadership in Akmil in implementing the vision the want to build.

The highest construct former of TQM latent variable is thorough quality at a loading factor value of 0.824. This means that the quality in the curriculum has been standardized through some improvement by following well the development, standardized procedures.

In the organization development latent variable, the biggest construct former at 0.811 is in the indicator of welfare of all employees working in Akmil. This means that the ability to give additional welfare could be experienced by all members of Akmil. This welfare includes those facilities and leaves the employees, such as lecturers and educational staff, could obtain in Akmil.

The summary of indices on which the assessment of fit model and the results of structural full model (SEM) test are based on is presented in detail in Table 2. below.

Discussion

The empirical model in this study consists of 7 hypotheses; each Hypothesis is referred to from various theoretical and empirical reviews. The results of data processing have tested these 7 hypotheses using Amos version 22.00 as can be seen in Table 3. below.

Table 2. Summary of Structural Model Suitability Index

Model Suitability Index	Output Amos.22	Cut-Off Value	Description
Chi-Squared (χ^2)	228.194	< 248.33	Good
Signifikansi Probability	0.076	> 0.05	Good
CMIN/DF	1.147	\leq 2.0	Good
GFI	0.905	>0.90	Good
AGFI	0.879	>0.90	Good
TLI	0.982	>0.95	Good
CFI	0.994	>0.95	Good
RMSEA	0.028	\leq 0.08	Good
HOELTRE c-N 0.01	204	>200	Good

Source: Processed Primary Data, 2016

Table 3. Revised Structural Full Model Regression Weight

Regression Weight	Unstd Estimate	Std Estimate	S.E.	C.R.	P
TQM <--- Leadership	.279	.231	.111	2.515	.012
TQM <--- Service_Quality	.154	.228	.060	2.584	.010
TQM <--- Organizational_Culture	.273	.244	.095	2.878	.004
Organization_Development <--- Leadership	.201	.186	.098	2.047	.041
Organization_Development <--- Organizational_Culture	.191	.190	.086	2.218	.027
Organization_Development <--- Service_Quality	.120	.198	.053	2.253	.024
Organization_Development <--- TQM	.181	.202	.084	2.145	.032

Source: Results of Data Analysis, 2016

Influence of Service Quality on TQM

The results of statistical testing on Hypothesis 1 indicate that the estimation parameter value of service quality on TQM is 0.228 at an error standard of parameter estimation of 0.060 and critical ratio value of 2.584 with p-value of 0.010. These values have fulfilled the Hypothesis confirmation re-

quirement, i.e. CR > 1,96 at a significance level of 0.05. It could then be concluded that the influence of service quality on TQM is proven and significant.

The results of statistical testing on this Hypothesis indicate that the better the service quality given in the Military Academy, the better the total qual-

ity management (TQM) in the Military Academy would be. The statistical results of index calculation as have been presented in the descriptive analysis indicate that those activities which are the parameters of service quality in the Military Academy has been compliant with the SEM requirements and proven to have been good.

This research result confirms the study conducted by Munawaroh (2002:6) which indicate that service quality which include the changes towards quality in terms of: reliability, responsiveness, empathy, dan tangible, gives significant contribution to the improvement of quality and customer satisfaction. In addition, this research result confirms Stamatis's (1996:112) opinion that total quality service serves as an integrated and strategic system by involving individuals at managerial levels and using both qualitative and quantitative methods for continuous improvement which is driven for customer satisfaction, and moving towards future organization improvement and change. Additionally, this research result also supports the theory on customer satisfaction because the service the customers receive is just as they expect. The customers here are the customers of Military Academy, Magelang, i.e. all of the stakeholders Military Academy.

Influence of Organizational Culture on TQM

The results of statistical testing on Hypothesis 2 indicate that the estimation parameter value of organizational culture on TQM is 0.244 at an error standard of parameter estimation of 0.095 and critical ratio value of 2.878 with p-value at 0.004. Those values have met the Hypothesis confirmation requirement, i.e. $CR > 1.96$ at a significance level of 0.05. It could then be concluded that the influence of organizational culture on TQM is proven and significant.

The results of statistical testing on Hypothesis 2 indicate that the better the organizational culture provided in the Military Academy, Magelang, the better the TQM in the Military Academy would be. The statistical results of index calculation as have been presented in descriptive analysis indicate that those activities which are the parameters of organizational culture in Akmil have been compliant with SEM requirements and proven to have been good.

This research result confirms the research conducted by Cornesky (2003). The purpose of this book is to guide faculty in applying TQM processes and tools to instruction. Cornesky demonstrates how to implement TQM and continuously improve classroom effectiveness. The book is organized like a class syllabus, discussing the basic requirements of change, providing historical background, and using case studies to demonstrate the use

of specific quality tools. Judging from the fact that the organizational culture is implemented consistently, TQM can thus be said to have run well.

The empirical findings indicate that organizational culture is implemented consistently by members of Akmil, hence, in general, customer satisfaction could be created and as expected by Akmil's customers. In an education arena in Akmil they could unite to move forwards with a culture which has been sound, something we fundamentally need in responding to the diversity in our culture and society.

Influence of Educational Leadership on TQM

The results of statistical testing on Hypothesis 3 indicate that the estimation parameter value of educational leadership on TQM is 0.231 at an error standard of parameter estimation of 0.111 and critical ratio value of 2.515 with p-value at 0.012. Those values have met the Hypothesis confirmation requirement, i.e. $CR > 1.96$ at a significance level of 0.05. It could then be concluded that the influence educational leadership on TQM is proven and significant.

The results of statistical testing on this Hypothesis indicate that the better the educational leadership on the leaders' side of Akmil the better the TQM in the Akmil. The statistical results of index calculation in the descriptive

analysis indicate that those activities which constitute the parameters of educational leadership in Akmil have been good.

Influence Service quality on Organization Development

The results of statistical testing on Hypothesis 4 indicate estimation parameter value service quality terhadap organization development sebesar 0,198 at an error standard of parameter estimation of 0,053 and critical ratio value of 2,253 with p-value at 0,024. Those values have met Hypothesis confirmation requirement yaitu $CR > 1,96$ at a significance level of 0,05 it could then be concluded that influence service quality terhadap organization development Military academy is proven and significant.

The results of statistical testing on this Hypothesis indicate that the better the service quality they give the better the organization development in Akmil. The statistical results of index calculation descriptive analysis indicate that those activities which constitute the parameters of service quality in Akmil has been compliant with SEM requirements and proven to have been good.

This research result confirms the research conducted by Sikora and Boczkowska (2012) entitled analyzing educational service and organization development. The variables used are

education service and organization development. The research finds that education service equips students with expertise qualification needed by companies. Furthermore, it is stated that service quality has causality relationship with organization development. The better the service given the better the organization development would be.

Empirically, it is found that service quality gives positive contribution to organization development. The organization development in Akmil has been a commitment along with the changes they should make in organizing military education in accordance with the national education standards. Service quality reflects the members involved in the organization who are committed to move towards organization change in line with the Akmil's objectives which are continuously developing as required by the era and globalization. The better the service given as per the standards and customer's expectation the better the organization development would be. Organization development becomes good and in line with the organization's objectives, in this case it is determined by the quality of service given and experienced by the Akmil stakeholders. Hence, the organization's objectives could be achieved according to the development expected by all members of organization.

Influence of Organizational Culture on Organization Development

The results of statistical testing on Hypothesis 5 indicate that the estimation parameter value of organizational culture on organization development is 0.190 at an error standard of parameter estimation of 0.086 and critical ratio value of 2.218 with p-value at 0.027. Those values have met the Hypothesis confirmation requirement, i.e. $CR > 1.96$ at a significance level of 0.05. It could then be concluded that the influence of organizational culture on organization development is proven and significant.

The results of statistical testing on this fifth Hypothesis indicate that the better the organizational culture the better the organization development in Akmil would be. The statistical results of index calculation as have been presented in descriptive analysis indicate that the shared norm of values which give meanings to members and making the beliefs and values a rule to behave in Akmil has been compliant with SEM requirements and proven to have been good. This research result supports and confirms the research conducted by Castiglia (2005) who finds that cultural change influences the organization commitment in universities yet it does not have any effect on job satisfaction. Furthermore, this research also confirms the study performed by Csaszar (2009) who analyzes the influence of organizational structure on

organization performance. Organization development is also related to a planned change, i.e. to mobilize individual, team, group and organization in order for them to be better.

Culture is a pattern of basic assumptions used by groups in this case Akmil. They achieve this agreement when a study group solves a problem in their effort of adapting to the environment. The organizational culture in Akmil has been adherent to the culture which is formed since long ago with its military nature at high level of discipline and ritual values upheld to be the organizational culture performed consistently by all members involved in Akmil.

In terms of organization change and development phenomenon, the members involved in an organization should understand the main objective of such organization development. It is something all members of that organization, its leaders in particular, must do. Therefore, there is a need for intensive dissemination of organization objective to all organization members be it via printed or electronic media as well as website as what Akmil has done. This is to facilitate all members, especially the leaders, in understanding the main objective of such organization development in accordance with their vision and missions. Organizational culture is all beliefs, values, life practice as a habit, norms, rites, arts and objects owned, believed, practiced and inher-

ited from generation to generation which signify specifically a community of society and make it different from any other communities. Just like the case in Akmil where the culture existing there is based on military which causes all organization members to give contribution in the formation of organizational culture and in turn the organizational culture which have been formed gives some influence on each and every organization member in their attitude and behavior.

Such empirical findings are as stated by Robbins (2001:510) who suggests that organizational culture is "... a system of shared meaning held by members that distinguishes the organization from other organizations. This system of shared meaning is, on closer examination, a set of key characteristics that the organization values." The organizational culture in Akmil forms specific characteristics with its military nature adherent to the discipline values, causing an effect on the development and change of organization which is performed consistently.

Influence of Educational Leadership on Organization Development

The results of statistical testing on Hypothesis 6 indicate that the estimation parameter value of educational leadership on organization development is 0.186 at an error standard of parameter estimation of 0.098 and critical ratio value of 2.047 with p-value at

0.041. Those values have met the Hypothesis confirmation requirement, i.e. $CR > 1.96$ at a significance level of 0.05. It could then be concluded that the influence of educational leadership on organization development is proven and significant.

The results of statistical testing on this sixth Hypothesis indicate that the better the educational leadership the better the organization development in Akmil would be. Educational leadership is the relationship existing inside an individual or a leader in influencing others to consciously work together in a form of duty relationship to achieve the goal desired by the leader.

The statistical results of index calculation of descriptive analysis indicate that educational leadership in the effort of achieving the vision and missions constitutes something unique and fundamental which distinguishes an organization from any other organizations and identifies a scope of operation of the organization target. Educational leadership is an ability to influence and mobilize others to be willing, able and committed to follow the management desire in order to achieve the goals previously set effectively and efficiently in Akmil has been compliant with SEM requirements and proven to have been good. This finding also confirms the research by Utsman (2010) which tests the influence of organizational culture, educational leadership, government policy, innovation adop-

tion, and service quality on organization change and development. The variables used are organizational culture, educational leadership, government regulation, innovation adoption, service quality and organization change and development. The method of research used to test the variables is Structural Equation Model (SEM) using AMOS software, the result of which suggests that five exogenous variables namely organizational culture, educational leadership, government regulation, innovation adoption, and service quality have significant influence on organization change and development. Additionally, it also confirms the research conducted by Warrick (2011) who analyzes the integration of transformational leadership with organization development.

Educational leadership is a central figure in an organization development. As a decision maker, he/she is an agent of change. It also depends on the leader's capability to be more duty-oriented if the circumstance requires so, and change it with relational orientation to deal with the resistance to change which is more personal in nature. Thus, educational leadership which has commitment to make a change and innovation will directly influence organization development continuously according to the quality message.

Influence of TQM on Organization Development

The results of statistical testing on Hypothesis 7 indicate that the estimation parameter value of TQM on organization development is 0.202 at an error standard of parameter estimation of 0.084 and critical ratio value of 2.145 with p-value at 0.032. Those values have met the Hypothesis confirmation requirement, i.e. $CR > 1.96$ at a significance level of 0.05. It could then be concluded that the influence of TQM on the organization development is proven and significant.

The results of statistical testing on this seventh Hypothesis indicate that the better the TQM the better organization development in the Military Academy would be. Assuring the quality of education will have an implication on the organization change and development and this has been compliant with SEM requirements and proven to have been good.

An organization always tries to continually improve their quality in order for the organization to be able to give high-quality service. This high-quality service will influence customer satisfaction. Customer satisfaction influences their loyalty which, in turn, will develop the organization. The TQM indicator with the biggest loading factor is thorough quality at 0.82. It means that quality has been a necessity in TQM. TQM influences organization development positively and significantly, meaning that if a change occurs to TQM, a change will also happen in

the organization development to the same direction in the Military Academy.

This empirical finding confirms the research conducted by Al-Dhaafri, Hassan Saleh, Rushami Zien Bin Yusoff (2012) who analyze the special leadership competence necessary to apply TQM, check the influence of competence leadership to apply individual TQM principles and study the relationship between TQM implementation principles and TQM outputs among Thailand manufacturers at various level of leadership competence. In addition, it also confirms the results of research conducted by Alnaweigah (2013) who analyzes the role of Total Quality Management in organization change and development. The variables used are Total Quality Management and organization change and development. The research results indicate that the role that TQM plays in the change and development of organization of Taif University is highly important because there is a positive correlation between TQM and organization change and development and it significantly influence the increase in organization performance.

Furthermore, Sallis (2012) suggests TQM is a practical but strategic approach to running an organization that focuses on the needs of its customers and clients. It rejects any outcome other than excellence. TQM is not a set of slogans, but a deliberate

and systematic approach to achieving appropriate levels of quality in a consistent fashion that meet or exceed the needs and wants of customers. It can be thought of as a philosophy of continual improvement only achievable by and through people. As an approach, TQM represents a permanent shift in an institution's focus away from short-term expediency to the long-term quality improvement. Constant innovation, improvement and change are stressed, and those institutions that practice it lock into a cycle of continuous improvement.

Based on the result of SEM analysis of the empirical model, all hypotheses proposed related to organization development in Akmil are acceptable at a confidence level of 95%. The fact that the seven hypotheses are accepted confirms that organization development in Akmil is something new and should be performed by all organization members through the sound implementation of TQM.

Conclusions

The TQM-based organization development model built is a fit model. Service quality influences TQM, and its influence is positive and significant. It means that the better the service quality the better the TQM implementation would be. Organizational culture influences TQM. The influence of organizational culture on TQM is the most dominant influence of an exoge-

nous variable. As to its influence, it is positive and significant. It means the better the organizational culture the better the TQM implementation would be. Educational leadership influences TQM. its influence is positive and significant. It means the better the educational leadership the better the TQM implementation would be.

The influence of service quality on organization development is 24.4%. Its influence is positive dan significant. It means the better the service quality the better the organization development would be. The good influence of service quality on organization development is contributed by the sound implementation of TQM. TQM has some contribution to organization development. If a change occurs to service quality, another change would also occur to the organization development in Akmil in the same direction. Meanwhile, the highest construct former in the organization development variable is in the welfare indicator at an estimation value of 0.82 and the smallest construct former is in competition in the organization members at 0.67.

The influence of organizational culture on organization development is 24.0%. Its influence is positive and significant. The good influence of organizational culture on organization development is contributed by the sound implementation TQM. Organization development in Akmil has been

a commitment of all organization members towards a change.

The influence of educational leadership on organization development is 22.8%. Its influence is positive and significant. The influence of educational leadership on organization development is contributed by the sound implementation of TQM. TQM has some contribution to organization development. For educational leadership, the loyalty dimension has been the biggest construct former. It means that a leader's loyalty is important in the

organization development in Akmil towards a change.

The biggest construct former in TQM is in the quality dimension at an estimation value of 0.841 and the smallest construct former is continuous improvement at 0.67. The influence of TQM variables on organization development is 20.2%. Their influence is positive and significant. It means the better the TQM implementation the better the organization development would be.

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